



**ENHANCED MUNICIPAL SERVICES DISTRICT COMMISSION
CITY OF SCOTTSDALE
PINNACLE CONFERENCE ROOM
7575 EAST MAIN STREET
SCOTTSDALE, ARIZONA
JULY 21, 2004
MINUTES**

PRESENT: Scudder Gookin, Jr., Chairman
Paul Piazza, Vice-Chairman
Marilyn Atkinson, Commissioner
Anselm Bischoff, Commissioner
Bambi Johnson, Commissioner
Steven Scholz, Commissioner

ABSENT: Todd Iacono, Commissioner

STAFF: John Little, Downtown Group
Michelle Korf, Downtown Group

OTHERS

PRESENT: Michelle Olson, Olson Communications
Park Howell, Park & Company
Frank Maguire, 5th Avenue Merchants Association
DeEtte Person, Olson Communications
Stan Yamamoto, Park & Company
Patty O'Toole
Ginny Taylor

CALL TO ORDER

Chairman Gookin called the regular meeting of the Enhanced Municipal Services District Commission to order at 5:40 p.m.

ROLL CALL

A formal roll call confirmed members present as stated above.

APPROVAL OF MINUTES

June 16, 2004

Commissioner Piazza requested a correction to the June 16, 2004 minutes. On Page 5, last paragraph reads: "Chair Gookin inquired if the Marketing Firm they have selected would be fat enough to act as the bank for the area grants". He stated that the word "fat" must be a typo. Chair Gookin explained that he did say that but should have said sufficient assets.

COMMISSIONER PIAZZA MADE A MOTION TO APPROVE THE JUNE 16, 2004 MEETING MINUTES AS AMENDED. SECOND BY COMMISSIONER ATKINSON AND PASSED UNANIMOUSLY.

TENTATIVE ADOPTION OF FY 2005 MARKETING PLAN

Ms. Korf requested the Commission review the draft 2005 marketing plan prepared by Olson Communications that incorporates the results of the July 12 special meeting and input from the marketing working group.

Ms. Olson introduced her team that would be taking the Commission through the draft FY 2005 Marketing Plan. She explained the purpose of the marketing plan is to implement strategies that add to Scottsdale's appeal as both a destination for shopping and entertainment, and a great place to do business. Emphasis will be placed on increasing foot traffic and subsequently, sales, in downtown. The plan will also continue use of the "The Original" logo and tagline to represent the entire district, but without the ancillary composite figures. Individual districts will be encouraged to undertake efforts that celebrate their uniqueness, but will also be encouraged to partner whenever appropriate.

She reviewed the FY 2005 Marketing Plan Objectives:

- Increase retail sales tax revenue by a total of 12 –15 % over the next three years (approximately 5% per year)
- Garner five million media impressions during FY 2005
- Increase bed tax revenues ____% over three years.

She explained the Marketing Group felt that increasing bed tax objective was not a true indicator for measuring effectiveness of the marketing campaign.

She stated defining the target audience will provide parameters to help select and prioritize advertising media placements.

Mr. Yamamoto reviewed the information for the target audience explaining that it was compiled by information from a Downtown Scottsdale merchants survey conducted the week of July 12, 2004 and the City of Scottsdale, Office of Economic Development.

Primary Target Audience – Valley Residents

- Adults, 35 – 60 years old, average age 48, skewed female
- Married/Married with children
- \$90,000+ HHI
- 39% repeat customers
- Resides within a 20-mile radius of Downtown Scottsdale

Secondary Target Audience: Scottsdale/Phoenix Visitors

Scottsdale visitor profile from The City of Scottsdale, Office of Economic Development, Visitor Statistics, August 2003

- Average age 52.5 years old
- \$77,000+HHI
- Most likely from Midwest regions of the US
- Date of visits: January – March '03 (41%), April – June '03 (29%)
- Visitors to Valley hotels and resorts (both convention attendees as well as leisure travelers). Also included are visitors staying with family within the 20-mile radius
- Many of the business travelers to Scottsdale resorts also use the trip to Scottsdale as a family vacation.

Commissioner Atkinson inquired on the survey with regard to repeat customers if they delineated between visitors and Valley residents. Mr. Yamamoto replied in the negative. Commissioner Atkinson commented that to some degree that gives a misrepresentation, at least in our area, because our area is very tourist driven. She suggested when they survey is sent out again that question is defined.

Ms. Olson discussed the challenges and opportunities with moving forward with the marketing plan. She reported that these strengths and weaknesses must be taken into account when developing marketing, advertising, and communication components of the plan.

She provided an overview of the proposed Communication Plan Objectives, Communication Plan Strategies, and Communication Plan Tactics - The EMSD Commission and the Marketing Group has identified and prioritized several events to consider for the upcoming year and for budget allocation.

Ms. Olson explained Downtown Scottsdale events and happenings will be supported through public relations initiatives, regardless if it was funded through EMSD monies or area grants. Major strategies include public involvement, public outreach, and media

relations. She presented information on additional ideas they have explored and how they plan to involve the public.

Chair Gookin inquired when the city office would move to the downtown. Mr. Little replied next week. He reported that it was suggested they prepare a quarterly newsletter that provides information on public safety concerns such as road closures, maintenance updates, and construction status. Commissioner Atkinson stated that she felt the newsletter should include information on events that are taking place such as Barrett Jackson.

Ms. Olson presented information regarding media relations and promoting the specialty districts and downtown as region by continuously sharing news and human interest stories with targeted media.

Ms. Person presented information on public outreach and consistently providing information to third parties to extend the reach of the public relations effort. Develop a communications strategy and outreach program to reach key audiences.

Commissioner Scholz stated at a previous Commission meeting we discussed that Palm Springs is hot in August but people still go there and that they need to research what brings people to Palm Springs in the summer. He further stated that Palm Springs markets directly to the gay community. He remarked when you think about it a typical gay household has a higher income level, no children, a lot of money to spend and they love art and culture. He further remarked that when the gay community is reached out to they are very loyal. Ms. Korf suggested they identify niche markets such as this to pursue.

Mr. Yamamoto presented information on media placement. He stated they are hoping to use area grant funds to support individual events throughout the year in conjunction with overall advertising media placements promoting major events. The grants should fund many of the operational and promotional needs of events in Downtown Scottsdale. The area grants also should capitalize on the EMSD funds that are going to promote many of the significant events within the Downtown Scottsdale area. By extending the reach of the EMSD funding on many of the events, Downtown Scottsdale can deliver a stronger consumer impact.

Mr. Yamamoto reported the two primary collateral pieces that should continue to be updated and utilized are the Downtown Map & Directory and the Ambassador tear sheet map.

Mr. Yamamoto stated since the exiting Web site is not owned by the EMSD there are two options that should be considered:

- Pull graphics and copy from existing web site, set up new Internet URL, and update for current FY 2005 needs.

- If budget allows, proceed with a complete site assessment, design and develop an entirely new Downtown Scottsdale website based on the direction of Downtown Scottsdale and the site assessment findings.

Mr. Maguire stated that he currently runs the website and will discuss it with Mr. Yamamoto at another time.

Mr. Yamamoto passed out the EMSD Proposed FY 2005 Budget and provided a brief review of the document. He explained that it is simply a menu and not a recommendation.

Commission Bischoff stated that he felt more money should be spent for Spring Training because it goes on for an entire month.

The consensus of the Commission was that the Guest Informant should not be funded. It was also discussed that the contingency fund should be recast beyond \$7,000.

Commissioner Atkinson explained that there was some question regarding how many maps & directories they had and she reported she has located 7 boxes to last for 30 days. Chair Gookin inquired how long it would take to clean up the brochure and how long it would take the printer to complete the job. Mr. Yamamoto stated it would take the printer approximately 7 to 10 working days. Commissioner Johnson stated that she was hoping they could find a less expensive printer. Mr. Yamamoto explained that it is easier to work with the same printer on a reprint because they already have the film.

Commissioner Piazza reported that he was pleased with Olson's ability to pull this information together on a relatively short time. He further reported that he felt we are headed in the right direction. He stated that he felt they should look at working with the Scottsdale Historical Society, Scottsdale Center for the Arts, and Contemporary Art Museum to get people attending those events to walk another few blocks into the downtown.

The consensus of the Commission was that that the amount of the area grants budget should be increased to between \$150,000 to \$160,000.

Ms. Taylor stated the Marshall Way District is under the impression that they would see substantially more in area grants. She further stated that her district will be asking for \$40,000 noting they want to do brand marketing. She reported that she has their budget with her. She noted that they want the map directory available right away.

COMMISSIONER PIAZZA MOVED TO APPROVE THE TENTATIVE ADOPTION OF FY 2005 MARKETING PLAN WITH THE FOLLOWING ITEMS RETURNING TO THE COMMISSION FOR FINAL ADOPTION:

- **THEY EITHER APPROVE OR NOT APPROVE USING THE BED TAX METRIC AS AN INDICATOR FOR MEASURING SUCCESS.**
- **SEE THE BUDGET RECAST WITH ADDITIONAL MONEY ALLOCATED FOR SPRING TRAINING.**
- **SEE THE BUDGET RECAST TO DELETE GUEST INFORMANT**
- **SEE AN INCREASE IN AREA GRANT ALLOCATION TO BETWEEN \$150,000 TO \$160,000.**
- **INCREASE THE CONTINGENCY BUDGET BEYOND \$7,000.**
- **RECAST BUDGET TO INCLUDE NICHE MARKETING.**

SECOND BY COMMISSIONER BISCHOFF.

Commissioner Johnson stated that she felt it would be helpful if they received the entire transcript of the meetings rather than summary minutes. Mr. Little explained that even the City Council does not receive verbatim minutes, however, they do have a video record of those meetings. He stated they could tape record the meetings and maintains an archive of the audio meetings. It was determined that all future meetings would be tape-recorded.

Commissioner Johnson suggested staff retrieve anything that is worth retrieving from CK such as the stadium banner and that would assist them in saving money.

Commissioner Johnson inquired when city staff moves into their new downtown office if there would be a reception for the public. Mr. Little replied in September when the temperature cools they will have an open house and invite the Mayor, the media, and Commission.

The Commission determined further review of the budget was needed. The Commission members have had a chance to review the list determined the following items should be deleted:

- Guest Informant
- Map & Directory reprint (25K qty) – (it was determined that 7 boxes would be enough to last the 30 days until they are resigned and printed.)
- Scottsdale Magazine.

- FBR Phoenix Open –(With caveat if the contingency grows they will reallocate funds to this event) (It was noted that the CVB has a booth at the event and the could hand our brochures.)

The consensus of the commission regarding the Fiesta Bowl they recommended going with Package 1.

The Commission discussed Spring Training and it was noted that the banner is a must and they should include the Oakland A's. The Commission requested Olson to investigate other Spring Training opportunities. Commissioner Piazza stated that he would like to see a map leading the people from the stadium to the downtown.

Commissioner Bischoff stated that he felt area grants should be tied to participation of the merchants in each district. Chair Gookin noted that he is representative of a district that has not received any funds. Mr. Little explained that each district has to submit proposals and that will allow the commission to get a sense of the amount of funds to address the needs of each district and the commission can set the rules for how the money gets spent. Chair Gookin inquired if any area grant applications have been submitted. Ms. Korf replied that she was not aware of any. Ms. Taylor reported that the districts have not received the applications. Chair Gookin noted that the commission approved the application. Ms. Korf replied that she thought Mr. Hornbeck was waiting on commission approval of the final budget. Chair Gookin stated it was his understanding that they should be available.

It was discussed that the City View Video needed to be updated.

Commissioner Johnson requested clarification on the numbers for the Gammage Auditorium Playbill noting that the committee had negotiated the nonprofit rates. Ms. O'Tool explained that the figures include the mark up. Mr. Park noted this issue was discussed at the last meeting. Mr. Little explained that all media buys must go through Olson Communications. If any of the commissioners' or anyone else negotiates a good price they must contact Mr. Hornbeck and he will contact Olson to advise them of the negotiated price and they will request the same deal. Commissioner Johnson noted that we did not receive a copy of Olson's contract to review. Mr. Little reported that a copy of the contract was provided to her at a recent meeting with commissioners Atkinson, Piazza and herself. He further reported that he would review the roles and responsibilities in the next agenda item. Chair Gookin noted that the contract Olson has with the city entitles them to a fee but it is his understanding the Olson is amenable to receiving information about better rates. Commissioner Johnson noted that she did not mean to sound accusatory but things had not been clarified.

Commissioner Scholz stated that rather than placing ads in programs for downtown Phoenix theaters they might want to consider placing ads in the Desert Stages because it is in walking distance and people could bring their kids and spend the afternoon in the

downtown. Chair Gookin suggest Olson look at a different mix that would include other theaters.

Commissioner Scholz stated that Echo would be a good niche magazine and there are a lot of travel brochures that promoted travel destinations for the gay community. He further stated that his customers religiously read YES a local magazine that is targeted to women and shopping. He explained that his salon directs a lot of their customers to shops in the area and he felt it is important for service related businesses in the downtown to provide information to tourists regarding what is available in the area. Commissioner Johnson noted that Commissioner Scholz' salon is the official salon for Miss Arizona USA.

COMMISSIONER PIAZZA AMENDED HIS MOTION TO INCLUDE THE ITEMS THE COMMISSION REQUESTED BE DELETED FROM THE PROPOSED BUDGET AS LISTED ABOVE. SECOND BY COMMISSIONER BISCHOFF AND PASSED UNANIMOUSLY.

ROLES AND RESPONSIBILITIES

Mr. Little passed out information on the roles and responsibilities of the Commission, the Marketing Group, Olson Communications and staff. He reported the purpose of this agenda item is to clarify the process by which decisions get made, how information flows and what to do if it is not flowing properly. He used the following analogies to describe the roles and responsibilities; the Commission is the architect of the plan for downtown Scottsdale. The Marketing Group are the doers and work with the marketing consultants on day to day decisions. Staff are the gatekeepers and ensure the integrity of the ordinance. He explained that there should be a single point of contact for the consultants so if any of the commissioners have something they want discussed they should contact Mr. Hornbeck and he will contact Olson.

Mr. Little explained that the commissioners' need to be clear with regard to their special role on the commission especially because any issues related to conflict of interest can be criminal offense punishable by law.

Mr. Little explained that the Chair approves the agendas and if any of the commissioners' have an item, they want placed on the agenda to contact the Chair.

Chair Gookin inquired if we have a problem where they don't feel a staff person is being responsive who should we contact. Mr. Little replied that commissioners should follow the chain of command. If John is not responsive then contact Ed Gawf and if Ed is not responsive contact Jan Dolan. He noted that sometimes it is difficult to tell a staff person they are not being responsive in a public meeting so he suggested they contact him privately. Commissioner Piazza inquired if it would be possible for them to receive a written job description regarding staffs' roles as it relates to the EMSD. Mr. Little replied staff would provide job descriptions for himself, Ms. Korf, and Mr. Hornbeck.

Chair Gookin requested staff get the area grants out. Mr. Little replied staff would get them out to all of the districts.

Commissioner Johnson requested clarification regarding conflicts with her speaking with Commissioner Atkinson due to the fact that they co-chair the Marketing Working Group. Mr. Little explained they can discuss things they will be reporting on to the Commission but they cannot discuss how they will be voting.

MARKETING WORKING GROUP UPDATE

Commissioner Atkinson reported they are coming up on a deadline for the Program for the Arts so they need to make a decision tonight. Commissioner Johnson stated there is still some confusion because when Olson came on board the Commission had already negotiated for a lesser amount so how do they proceed. Mr. Little stated that he would like to make it clear that the commissioners' should not independently negotiate advertising rates. In this case, there was a rate that the Program for the Arts would offer to the Commission to place an ad. So, they just need to have an affirmative vote by the Commission and Olson can call Program for the Arts and state they want to place an ad and they understand that an amount has been offered and then Olson would add their markup.

Commissioner Atkinson wanted to state for the record that previous ad buys that had been negotiated occurred before Olson was hired and authorized by Sahler Hornbeck.

Commissioner Atkinson stated the working group discussed their concern about how Herberger Theater would be impacted by construction. The group also discussed placing ads for the full season at Gammage or only for the 7 weeks for the Lion King. It was noted that the Lion King performance runs January through March 2005.

Ms. Person stated that the Commission might want to consider the fact that the Lion King is the most popular show of the season and all performances will be sold out.

Commissioner Bischoff stated that he felt they should start with something local and it should be proportionate.

Commissioner Johnson stated that people keep the playbill programs, take them home, and keep them for years.

Commissioner Piazza suggested they go with the Phoenix Group and go with the 7 weeks for the Lion King. He stated that he likes the Program for the Arts and with the Scottsdale Program for the arts, there is duplication.

COMMISSIONER SCHOLZ MOVED TO GO FORWARD WITH THE PHOENIX GROUP, PROGRAM FOR THE ARTS, AND THE FULL SEASON AT GAMMAGE THEATER. SECOND BY COMMISSIONER BISCHOFF.

Ms. Taylor commented as part of the working group their recommendation was to do the first 12 weeks at Gammage and then they wanted to go with the Scottsdale Center for the Arts and if there was any money left over they wanted to do the Phoenix Group. Mr. Maguire stated that he felt they should go with the Lion King because it is the biggest hit of the year and will draw people from all over.

Mr. Howell stated that he did not think it made good marketing or fiscal sense to spend that kind of money for the entire season at Gammage. He further stated that he did think the Lion King is a wonderful show and having an ad in that program would be beneficial. He remarked that he did not think they should be spending \$10,000 for the Program for the Arts.

COMMISSIONER SCHOLZ AND COMMISSIONER BISCHOFF WITHDREW THE MOTION AND THE SECOND.

COMMISSIONER PIAZZA MOVED TO GO FORWARD WITH THE SEVEN WEEKS FOR THE LION KING AND IF THEY HAVE ENOUGH MONEY, THE PROGRAM FOR THE ARTS. SECONDED BY COMMISSIONER SCHOLZ. THE MOTION PASSED BY A VOTE OF FOUR (4) TO TWO (2) WITH COMMISSIONER ATKINSON AND COMMISSIONER JOHNSON DISSENTING.

STATUS OF THE NEWSLETTER

Ms. Korf reported the Downtown Newsletter is in final production and distribution should begin next week.

FUTURE AGENDA ITEMS

Chair Gookin stated Olson Communications will prepare a final Marketing Plan for the Commission's review and approval at the next meeting. It was determined the next meeting would be scheduled for August 11, 2004.

ADJOURNMENT

With no further business to discuss, the regular meeting of the Scottsdale Enhanced Municipal Services District Commission was adjourned at 9:50 p.m.

Respectfully Submitted

"For the Record" Court Reporters

